

## **Senate Bill No. 24**

### **CHAPTER 895**

An act to add Sections 14148.03, 14148.04, and 14148.05 to the Welfare and Institutions Code, relating to health care.

[Approved by Governor October 12, 2003. Filed  
with Secretary of State October 12, 2003.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 24, Figueroa. Health care: accelerated enrollment.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law requires the department to adopt a federal medicaid option to extend eligibility for Medi-Cal benefits to certain pregnant women.

Existing law establishes the Access for Infants and Mothers (AIM) program, administered by the Managed Risk Medical Insurance Board, to provide health insurance coverage for certain eligible persons who pay a subscriber contribution.

This bill would require that the form used to implement the above-described medicaid option also qualify as a simplified application for the Medi-Cal program for those pregnant women or, if necessary to ensure federal financial participation, that the form be modified to add only those elements required for federal financial participation. The bill would require, for purposes of this provision, the department to determine whether to grant eligibility for temporary benefits under the medicaid option, the county to make the final eligibility determination for the Medi-Cal program, the department to develop and adopt a process for transferring the application to the county, and, based on the department's instructions, the county to determine if followup is necessary to determine the woman's final eligibility for the Medi-Cal program or to refer the woman to the AIM program.

The bill would require the department to adopt an electronic enrollment process, that would be known as the Prenatal Gateway, for pregnant women to use when applying for Medi-Cal from a provider's office, if sufficient funding is obtained and sufficient new staff is available, as specified.

By modifying the Medi-Cal eligibility determination process, this bill would increase the responsibilities of counties in the administration of

the Medi-Cal program, thereby imposing a state-mandated local program.

The bill would require the department to adopt an electronic process, to be known as the Newborn Hospital Gateway, for families to enroll a deemed eligible newborn in the Medi-Cal program from hospitals that have elected to participate in the process, if sufficient funding is obtained and sufficient new staff is available, as specified.

This bill would establish the Gateway Fund in the State Treasury, to be composed of 3 accounts, as prescribed, the moneys in which may be expended, upon appropriation by the Legislature, for purposes of the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) Recent studies show that the highest infant mortality rates in California are in the Central Valley, that African-American infants have disproportionately higher mortality rates than the rest of the population, and that eligible Hispanic women enroll in the Medi-Cal program and begin prenatal care late in pregnancy posing risks to both the mother and the newborn.

(b) Simplifying the enrollment procedures into the Medi-Cal program for pregnant women and children is necessary to promote access to timely health services that can save lives and prevent disabilities.

(c) Providing prenatal care and health services in the first years of life can prevent more costly long-term chronic illnesses and disabilities.

(d) It is in the state's best interests to realize the savings that will result from enrolling more of the currently eligible pregnant women and newborns into health programs as early as possible and to maximize receipt of federal matching funds to support these programs.

SEC. 2. Section 14148.03 is added to the Welfare and Institutions Code, to read:



14148.03. (a) Pursuant to options provided in federal law and notwithstanding any other provision of law, the form used by a provider to collect information about a pregnant woman pursuant to the Medi-Cal temporary benefits program under Section 14148.7 as that program is implemented on January 1, 2003, shall itself qualify as a simplified application for the Medi-Cal program for pregnant women, or, if necessary to ensure federal financial participation, the form shall be modified to add only those elements required for federal financial participation and be as simple as the department considers practicable.

(b) For purposes of this section, the department shall determine whether to grant eligibility for temporary benefits under Section 14148.7 and the county shall make the final eligibility determination for the Medi-Cal program. The department shall develop and adopt a process for transferring the application to the county and a followup process that is as simple as the department considers practicable to be used by the county if followup is necessary. Based on the department's instructions, the county shall make a determination whether followup is necessary to determine the woman's final eligibility for the Medi-Cal program or to refer the woman to the Access for Infants and Mothers (AIM) program.

(c) The department shall adopt an electronic enrollment process for pregnant women to use when applying for the Medi-Cal program from a provider's office. The application form for this electronic enrollment shall use the elements of the application form described in subdivision (a) and the procedures specified in subdivision (b). This electronic enrollment process shall be known as the Prenatal Gateway. In developing the Prenatal Gateway required by this subdivision, the department shall consult with consumer, provider, county, and health plan representatives.

(d) The purpose of this section is to begin eligibility and benefits at the time of an eligible pregnant woman's visit to a provider and to continue eligibility and benefits until a final eligibility determination is made without the submission of any other application form to the department, the county, or a single point of entry and to make the followup process as simple as the department considers practicable.

(e) The Prenatal Gateway may not be adopted until both of the following occur:

(1) Sufficient moneys have been deposited in the Special Funds Account of the Gateway Fund to defray the costs of developing the Prenatal Gateway.

(2) Sufficient new staff, not to exceed a total of three personnel years, is available at the department for the purposes of this section and Section 14148.04 and is funded through nonstate General Fund sources.



Notwithstanding any other provision of law, the department may hire staff necessary to implement this section.

(f) To implement this section, the department may contract with public or private entities, or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary, only if services provided under the program are specifically identified and reimbursed in a manner that appropriately claims federal financial reimbursement. Contracts, including the Medi-Cal fiscal intermediary contract for the Child Health and Disability Prevention Program, and including any contract amendment, any system change pursuant to a change order, and any project or systems development notice shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, Chapter 7 (commencing with Section 11700) of Part 1 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and any policies, procedures, or regulations authorized by these laws.

SEC. 3. Section 14148.04 is added to the Welfare and Institutions Code, to read:

14148.04. (a) The department shall adopt, as specified in this section, an electronic process for families to enroll a deemed eligible newborn in the Medi-Cal program from hospitals that have elected to participate in the process. The electronic enrollment process adopted pursuant to this section shall be known as the Newborn Hospital Gateway.

(b) With respect to the enrollment of a child under the age of one year who is deemed to have applied and is deemed eligible for Medi-Cal benefits under Section 1396a(e)(4) of Title 42 of the United States Code, the enrollment procedures of the Newborn Hospital Gateway shall specifically include procedures for confirming the eligibility of, and issuing a Medi-Cal card to, that child.

(c) In developing the Newborn Hospital Gateway required by this section, the department shall consult with consumer, provider, county, and health plan representatives.

(d) The Newborn Hospital Gateway may not be adopted until both of the following occur:

(1) Sufficient moneys have been deposited in the Special Funds Account of the Gateway Fund to defray the costs of developing the Newborn Hospital Gateway.

(2) Sufficient new staff, not to exceed a total of three personnel years, is available at the department for the purposes of this section and Section 14148.03 and is funded through nonstate General Fund sources.



Notwithstanding any other provision of law, the department may hire staff necessary to implement this section.

(e) To implement this section, the department may contract with public or private entities, or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary, only if services provided under the program are specifically identified and reimbursed in a manner that appropriately claims federal financial reimbursement. Contracts, including the Medi-Cal fiscal intermediary contract for the Child Health and Disability Prevention Program and including any contract amendment, any system change pursuant to a change order, and any project or systems development notice shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, Chapter 7 (commencing with Section 11700) of Part 1 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and any policies, procedures, or regulations authorized by these laws.

SEC. 4. Section 14148.05 is added to the Welfare and Institutions Code, to read:

14148.05. (a) There is hereby created in the State Treasury the Gateway Fund.

(b) Moneys in the fund may be expended, upon appropriation by the Legislature, exclusively for purposes of establishing and maintaining the Prenatal Gateway, as provided for in Section 14148.03, and the Newborn Hospital Gateway, as provided for in Section 14148.04, and in accordance with subdivision (c).

(c) The fund shall consist of the following accounts:

(1) The Special Funds Account, which shall consist of all funds received by the Controller for purposes of Sections 14148.03 and 14148.04 from private foundations and other nongovernmental sources and interest accrued thereon. Moneys in this account shall be used exclusively for the purposes of Sections 14148.03 and 14148.04. The department shall not be responsible for securing funding from private foundations or other nongovernmental sources.

(2) The Other Public Funds Account, which shall consist of all public funds, other than federal or state general funds, received by the Controller for purposes of Sections 14148.03 and 14148.04 from state or local sources, including, but not limited to, funds received under the California Families and Children Act of 1998, Division 108 (commencing with Section 130100) of the Health and Safety Code (Proposition 10), and the interest accrued thereon.



(3) The Federal Funds Account, which shall consist of all public funds received by the Controller for purposes of Sections 14148.03 and 14148.04 from federal sources, and the interest accrued thereon.

SEC. 5. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

